

1 Annette W. Jarvis, Utah Bar No. 1649
 2 RAY QUINNEY & NEBEKER P.C.
 3 36 South State Street, Suite 1400
 4 P.O. Box 45385
 5 Salt Lake City, Utah 84145-0385
 6 Telephone: (801) 532-1500
 7 Facsimile: (801) 532-7543
 8 Email: ajarvis@rqn.com

E-FILED ON OCTOBER 26, 2006

9 and

10 Lenard E. Schwartzer
 11 Nevada Bar No. 0399
 12 Jeanette E. McPherson
 13 Nevada Bar No. 5423
 14 Schwartzer & McPherson Law Firm
 15 2850 South Jones Boulevard, Suite 1
 16 Las Vegas, Nevada 89146-5308
 17 Telephone: (702) 228-7590
 18 Facsimile: (702) 892-0122
 19 E-Mail: bkfilings@s-mlaw.com
 20 Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

21 In re:
 22 USA COMMERCIAL MORTGAGE COMPANY,

23 Debtor.

24 Case No. BK-S-06-10725 LBR
 25 Case No. BK-S-06-10726 LBR
 26 Case No. BK-S-06-10727 LBR
 27 Case No. BK-S-06-10728 LBR
 28 Case No. BK-S-06-10729 LBR

29 Chapter 11

30 In re:
 31 USA CAPITAL REALTY ADVISORS, LLC,

32 Debtor.

33 **Jointly Administered Under
 34 Case No. BK-S-06-10725 LBR**

35 In re:
 36 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 37 Debtor.

38 In re:
 39 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 40 Debtor.

41 In re:
 42 USA SECURITIES, LLC,
 43 Debtor.

44 Affects:

- 45 All Debtors
- 46 USA Commercial Mortgage Company
- 47 USA Capital Realty Advisors, LLC
- 48 USA Capital Diversified Trust Deed Fund, LLC
- 49 USA Capital First Trust Deed Fund, LLC
- 50 USA Securities, LLC

**MONTHLY OPERATING REPORT
 FOR SEPTEMBER 2006 (AFFECTS
 USA COMMERCIAL MORTGAGE
 COMPANY)**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 09/30/06

PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	As of April 13, 2006
2. Asset and Liability Structure			
a. Current Assets	\$61,216,564	\$60,018,477	
b. Total Assets	<u>\$120,233,372</u>	<u>\$119,049,541</u>	<u>\$122,468,825</u>
c. Current Liabilities	\$21,226,244	\$19,632,750	
d. Total Liabilities	<u>\$83,052,065</u>	<u>\$81,457,758</u>	<u>\$61,634,630</u>
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	
a. Total Receipts	\$210,849	\$2,401,995	\$4,668,741
b. Total Disbursements	<u>\$292,394</u>	<u>\$667,442</u>	<u>\$2,469,139</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>(\$81,545)</u>	<u>\$1,734,553</u>	<u>\$2,199,602</u>
d. Cash Balance Beginning of Month	\$2,857,379	\$1,122,826	\$576,231
e. Cash Balance End of Month (c + d)	<u>\$2,775,834</u>	<u>\$2,857,379</u>	<u>\$2,775,834</u>
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	Current Month	Prior Month	
5. Account Receivables (Pre and Post Petition)	<u>(\$410,476)</u>	<u>(\$295,986)</u>	<u>(\$1,826,586)</u>
6. Post-Petition Liabilities	<u>\$18,969,276</u>	<u>\$17,696,964</u>	
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$21,226,244</u>	<u>\$19,632,750</u>	
	<u>\$141,204</u>	<u>\$133,546</u>	

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) _____

9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) _____

10. If the answer is yes to 8 or 9, were all such payments approved by the court? _____

11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) _____

12. Is the estate insured for replacement cost of assets and for general liability? _____

13. Are a plan and disclosure statement on file? _____

14. Was there any post-petition borrowing during this reporting period? _____

15. Check if paid: Post-petition taxes X ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X
 (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 10/11/00

Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 09/30/06

Current Month			Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance		
\$1,476,158		\$1,476,158		
		\$0		
\$1,476,158	\$0	\$1,476,158		
\$0		\$0		
\$1,476,158	\$0	\$1,476,158		
\$0		\$0		
		\$0		
\$7,000		\$7,000		
		\$0		
\$1,483,158	\$0	\$1,483,158	10 Total Revenues	\$9,474,692
			Revenues:	
			1 Gross Sales	\$9,116,405
			2 less: Sales Returns & Allowances	
			3 Net Sales	\$9,116,405
			4 less: Cost of Goods Sold (Schedule 'B')	
			5 Gross Profit	\$9,116,405
			6 Interest	\$43,776
			7 Other Income:	\$8,044
			8 Intercompany allocations	\$306,467
			9	
			Expenses:	
			11 Compensation to Owner(s)/Officer(s)	
			12 Salaries	\$745,387
			13 Commissions	\$140,833
			14 Contract Labor	
			Rent/Lease:	
			15 Personal Property	\$8,861
			16 Real Property	\$272,258
			17 Insurance	\$21,482
			18 Management Fees	
			19 Depreciation	\$111,272
			Taxes:	
			20 Employer Payroll Taxes	\$51,777
			21 Real Property Taxes	
			22 Other Taxes	\$27,379
			23 Other Selling	\$51,900
			24 Other Administrative	\$505,338
			25 Interest	\$4,556
			26 Other Expenses:	
			27	
			28	
			29	
			30	
			31	
			32	
			33	
			34	
\$244,308	\$0	(\$244,308)	35 Total Expenses	\$1,941,043
\$1,238,850	\$0	\$1,238,850	36 Subtotal	\$7,533,649
			Reorganization Items:	
			37 Professional Fees	(\$9,355,235)
			38 Provisions for Rejected Executory Contracts	
			39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	
			40 Gain or (Loss) from Sale of Equipment	
			41 U S Trustee Quarterly Fees	(\$5,000)
			42	
(\$1,649,326)	\$0	\$1,649,326	43 Total Reorganization Items	(\$9,360,235)
(\$410,476)	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	(\$1,826,586)
			45 Federal & State Income Taxes	
(\$410,476)	\$0	\$0	46 Net Profit (Loss)	(\$1,826,586)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 09/30/06

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
1	Current Assets		
2	Cash and cash equivalents - unrestricted		\$2,775,834
3	Cash and cash equivalents - restricted		
4	Accounts receivable (net)	A	\$18,969,276
5	Inventory	B	\$0
6	Prepaid expenses		\$38,246
7	Professional retainers		
8	Other: Borrowers interest advances		\$24,845,690
	Funds held in Collection account		\$14,587,518
9	Total Current Assets		\$61,216,564
10	Property and Equipment (Market Value)		
11	Real property	C	\$0
12	Machinery and equipment	D	\$0
13	Furniture and fixtures	D	\$148,052
14	Office equipment	D	\$324,801
15	Leasehold improvements	D	\$60,105
16	Vehicles	D	\$0
17	Other:	D	
18		D	
19		D	
20		D	
21	Total Property and Equipment		\$532,958
22	Other Assets		
23	Loans to shareholders		
24	Loans to affiliates		
25	Related Party loan		\$58,374,919
26	Retirement Plan intangible		\$103,416
27	Deposits		\$5,515
28	Total Other Assets		\$58,483,850
29	Total Assets		\$120,233,372

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	\$41,295
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A \$155,620
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: Retirement plan	\$1,105,535
42	Other liabilities	\$7,378
43	Adjustment for Loan Servicing transactions	\$11,523,174
44	Total Current Liabilities	\$21,226,244

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	\$21,226,244
----	--	---------------------

Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F \$0
48	Priority unsecured claims ¹	F \$169,742
49	General unsecured claims ¹	F \$61,656,079
50	Total Pre-Petition Liabilities	\$61,825,821

51	Total Liabilities	\$83,052,065
----	--------------------------	---------------------

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	\$38,932,893
53	Capital Stock	\$75,000
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	(\$1,826,586)
56	Post-petition contributions/(distributions) or (draws)	
57	Market value adjustment	
59	Total Equity (Deficit)	\$37,181,307

60	Total Liabilities and Equity (Deficit)	\$120,233,372
----	---	----------------------

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET (General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings

- 0 -30 Days
- 31-60 Days
- 61-90 Days
- 91+ Days

Total accounts receivable/payable

Allowance for doubtful accounts

Accounts receivable (net)

Accounts Receivable	Accounts Payable	Past Due
[Pre and Post Petition]	[Post Petition]	Post Petition Debt
	\$14,416	
	\$5,425	
		\$141,204
	\$135,779	
\$0	\$155,620	
\$0		

Schedule B
Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

Method of Inventory Control

Do you have a functioning perpetual inventory system?

How often do you take a complete physical inventory?

- Weekly _____
- Monthly _____
- Quarterly _____
- Semi-annually _____
- Annually _____

Date of last physical inventory was _____

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods –

FIFO cost

LIFO cost

Lower of cost or market

Lower of cost

Other

Other

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -	Claimed¹ Amount	Allowed² Amount (b)
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,656,079	

(a) List total amount of claims even it under secured.
 (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	Account 1	Account 2	Account 3	Account 4
Bank	Bank of America	Bank of America	Citibank	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	
Account No.	3755532383	3755532419	500078217	
Account Purpose	General	Payroll	Citibank Interest	Petty Cash
Balance, End of Month	\$2,765,694	\$9,440	\$400	\$300
Total Funds on Hand for all Accounts	\$2,775,834			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report

NOTES:

1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$210,849	\$3,934,088
3	Interest Received		\$71,960
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		\$5,000
6	Capital Contributions		
7	Management Fees from USA Capital Realty Advisors, LLC		\$569,163
8	Tax and Security Deposit Refund		\$5,698
9	Principal Received on Notes Receivable		\$82,832
10			
11			
12	Total Cash Receipts	\$210,849	\$4,668,741
Cash Disbursements			
13	Payments for Inventory		
14	Selling	\$575	\$2,064
15	Administrative	\$50,625	\$374,318
16	Capital Expenditures		
17	Principal Payments on Debt		\$150,645
18	Interest Paid		\$4,888
19	Rent/Lease:		
20	Personal Property	\$1,007	\$9,963
21	Real Property	\$51,269	\$287,088
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)	\$87,451	\$614,417
29	Management Fees		
30	Taxes:		
31	Employee Withholding	\$8,591	\$99,008
32	Employer Payroll Taxes	\$2,350	\$54,699
33	Real Property Taxes		
34	Other Taxes		\$5,055
35	Other Cash Outflows:		
36	Professional Fees Paid in Connection with Chapter 11 Case	\$90,526	\$861,994
37	U.S. Trustee Quarterly Fees		\$5,000
38	Total Cash Disbursements:	\$292,394	\$2,469,139
39	Net Increase (Decrease) in Cash	(\$81,545)	\$2,199,602
40	Cash Balance, Beginning of Period	\$2,857,379	\$576,231
41	Cash Balance, End of Period	\$2,775,834	\$2,775,834

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
	Cash Flows From Operating Activities		
1	Cash Received from Sales	\$210,849	\$3,934,088
2	Rent/Leases Collected		
3	Interest Received		\$71,960
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses	\$575	\$2,064
6	Cash Paid for Administrative Expenses	\$50,625	\$374,318
	Cash Paid for Rents/Leases:		
7	Personal Property	\$1,007	\$9,963
8	Real Property	\$51,269	\$287,088
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits	\$87,451	\$614,417
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax	\$2,350	\$54,699
17	Employee Withholdings	\$8,591	\$99,008
18	Real Property Taxes		
19	Other Taxes		\$5,055
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$569,163)
22	Tax and Security Deposit Refund		(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$8,981	\$3,212,241
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$90,526	\$861,994
30	U S Trustee Quarterly Fees		\$5,000
31			
32	Net Cash Provided (Used) by Reorganization Items	(\$90,526)	(\$866,994)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$81,545)	\$2,345,247
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$81,545)	\$2,199,602
45	Cash and Cash Equivalents at Beginning of Month	\$2,857,379	\$576,231
46	Cash and Cash Equivalents at End of Month	\$2,775,834	\$2,775,834

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$276,535	\$951,698
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$19,170,105	\$171,508,413
8			
9			
10			
11			
12	Total Cash Receipts	<u>\$19,446,640</u>	<u>\$172,460,111</u>
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$158,849	\$426,876
37	Service Fees Paid to USA Commercial Mortgage	\$1,836,237	
38	Payments to Investors	\$187	\$64,282,464
39	Total Cash Disbursements:	<u>\$159,036</u>	<u>\$66,545,577</u>
40	Net Increase (Decrease) in Cash	<u>\$19,287,604</u>	<u>\$105,914,534</u>
41	Cash Balance, Beginning of Period	<u>\$95,680,347</u>	<u>\$9,053,417</u>
42	Cash Balance, End of Period	<u>\$114,967,951</u>	<u>\$114,967,951</u>

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$276,535	\$951,698
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
7	Cash Paid for Rents/Leases:		
8	Personal Property		
9	Real Property		
10	Cash Paid for Interest		
11	Cash Paid for Net Payroll and Benefits		
12	Cash Paid to Owner(s)/Officer(s)		
13	Salaries		
14	Draws		
15	Commissions/Royalties		
16	Expense Reimbursements		
17	Other		
18	Cash Paid for Taxes Paid/Deposited to Tax Acct		
19	Employer Payroll Tax		
20	Employee Withholdings		
21	Real Property Taxes		
22	Other Taxes		
23	Cash Paid for General Expenses		
24	Cash Received - See Attachment A	(\$19,170,105)	(\$171,508,413)
25	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$158,849	\$426,876
26	Service Fees Paid to USA Commercial Mortgage		\$1,836,237
27	Payments to Investors	\$187	\$64,282,464
28			
29			
30			
31			
32	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$19,287,604	\$105,914,534
	Cash Flows From Reorganization Items		
33	Interest Received on Cash Accumulated Due to Chp 11 Case		
34	Professional Fees Paid for Services in Connection with Chp 11 Case		
35	U S Trustee Quarterly Fees		
36			
37	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
38	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$19,287,604	\$105,914,534
	Cash Flows From Investing Activities		
39	Capital Expenditures		
40	Proceeds from Sales of Capital Goods due to Chp 11 Case		
41			
42			
43	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
44	Net Borrowings (Except Insiders)		
45	Net Borrowings from Shareholders, Partners, or Other Insiders		
46	Capital Contributions		
47	Principal Payments		
48			
49	Net Cash Provided (Used) by Financing Activities	\$0	\$0
50	Net Increase (Decrease) in Cash and Cash Equivalents	\$19,287,604	\$105,914,534
51	Cash and Cash Equivalents at Beginning of Month	\$95,680,347	\$9,053,417
52	Cash and Cash Equivalents at End of Month	\$114,967,951	\$114,967,951

USA Commercial Mortgage Company - Collections Account
Attachment A
September 1, 2006 - September 30, 2006

Borrowers	Receipts
5055 Collwood, LLC	\$ 40,753.62
Ashby Financial \$7,200,000	9,210,137.25
Amesbury/Hatters Point	489,174.05
BarUSA/\$15,300,000	1,860,615.34
Boise/Gowen 93	41,877.72
Brookmere/Matteson \$27,050,000	5,000.00
Cabernet	76,250.00
Charlevoix Homes, LLC	46,844.45
Cloudbreak LV	65,444.44
Columbia Managing Partners	24,739.72
Cormnan Toltec 160, LLC	109,791.67
Cottonwood Hills, LLC	48,222.22
Fiesta Murrieta	72,763.89
Fiesta Development \$6 6	73,883.33
Franklin - Stratford Investments, LLC	113,982.37
Hesperia II	62,215.28
I-40 Gateway West	482,160.21
Interstate Commerce Center	558,010.43
Interstate Commerce Center Phase II	34,431.91
J Jireh's Corporation	114,798.83
La Hacienda Estate, LLC	64,682.33
Palm Harbor One	1,706,193.61
Preserve at Galleria, LLC	3,678,588.12
Rio Rancho Executive Plaza, LLC	97,014.24
Southern California Land 2nd	40,988.89
University Estates	51,540.94
 Total Receipts	\$ 19,170,104.86

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Funds from Title Company		
8	Funding Assignments	\$200,000	\$200,000
9			
10			
11			
12	Total Cash Receipts	\$200,000	\$9,100,947
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36	Pre-Petition Check Cleared by Bank after Account Closed	\$100,000	
37	Principal Payments to Investors	\$200,000	\$9,100,000
38	Total Cash Disbursements:	\$200,000	\$9,200,000
39	Net Increase (Decrease) in Cash	\$0	(\$99,053)
40	Cash Balance, Beginning of Period	\$1,877,080	\$1,976,133
41	Cash Balance, End of Period	\$1,877,080	\$1,877,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/06

		Actual Current Month	Cumulative (Case to Date)
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		\$947
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors		\$9,100,000
24	Funding Assignments		(\$200,000)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$99,053)
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U S Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$99,053)
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$99,053)
45	Cash and Cash Equivalents at Beginning of Month	\$1,877,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	\$1,877,080	\$1,877,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank

USA Commercial Mortgage Company, et al.
 Repaid Loans - Final Payoff
September 2006

	<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Extension Fees</u>	<u>Late Fees</u>	<u>Default Interest</u>	<u>Total Collection</u>	<u>Service Fees Collected</u>
Ashby Financial Preserve at Galleria, LLC	9/1/2006	\$ 7,200,000.00	\$ 2,010,137.25	\$ 52,000.00			\$ 9,262,137.25	\$ 163,121.29
	9/27/2006	3,591,750.00	86,838.12				3,678,588.12	5,680.38
Total		\$ 10,791,750.00	\$ 2,096,975.37	\$ 52,000.00	\$ -	\$ -	\$ 12,940,725.37	\$ 168,801.67